
Dated as of April 16, 1973

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INTERSTATE COMMERCE COMMISSION

NORTH AMERICAN CAR (CANADA) LIMITED

and

MONTREAL TRUST COMPANY

Trustee

**DEED OF TRUST AND MORTGAGE
SECURING 9.85% DEMAND EQUIPMENT BONDS,
FIRST 1973 SERIES**

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THIS DEED OF TRUST AND MORTGAGE made as of April 16, 1973 BETWEEN:

NORTH AMERICAN CAR (CANADA) LIMITED, incorporated under the laws of the Province of Ontario, Canada (hereinafter called the "Company")

OF THE FIRST PART

— and —

MONTREAL TRUST COMPANY, a trust company duly incorporated and authorized to carry on the business of a trust company in all provinces of Canada (hereinafter called the "Trustee")

OF THE SECOND PART

WHEREAS, the Company deems it advisable for its corporate purposes to create and issue its Bonds to be constituted, secured and issued in the manner hereinafter appearing; and

WHEREAS, the Company under the laws relating thereto is duly authorized to create, issue and secure the Bonds to be issued as herein provided; and

WHEREAS, all things necessary have been done and performed to make the Bonds when certified by the Trustee and issued as herein provided valid, binding and legal obligations of the Company with the benefits and subject to the terms of this Deed of Trust and Mortgage and to make this Deed of Trust and Mortgage valid and binding for the security of the Bonds in accordance with its and their terms;

NOW THEREFORE, THIS DEED OF TRUST AND MORTGAGE WITNESSETH, and it is hereby agreed and declared as follows:

ARTICLE ONE

INTERPRETATION

SECTION 1.01. In this Deed of Trust and Mortgage, unless there is something in the subject matter or context inconsistent therewith:

(a) "this Trust Deed", "herein", "hereby" and similar expressions mean or refer to this Deed of Trust and Mortgage and any instrument supplemental or ancillary hereto; and the expressions

"Article" and "Section" followed by a number mean and refer to the specified Article or Section of this Deed of Trust and Mortgage;

(b) "Bonds" means the Demand Equipment Bonds of the Company issued and certified hereunder and at the applicable time outstanding;

(c) "Bondholders" or "holders" means as regards the Bonds the several persons for the time being entered in the registry books of the Trustee hereinafter mentioned as holders thereof, subject to section 2.06;

(d) "Company" means the Party of the First Part and also every successor company which shall have complied with the provisions of Article Eight;

(e) "Director" means a director of the Company at the applicable time being, and reference without more to action by the directors means actions by the directors of the Company as a board or, whenever duly empowered, an executive committee of the board;

(f) "Trustee" means the Party of the Second Part or its successors for the time being in the trusts hereby created;

(g) "Written order of the Company" and "certificate of the Company" mean, respectively, a written order and certificate signed in the name of the Company by the president or a vice president and by the secretary or an assistant secretary or the treasurer or an assistant treasurer, or by any one of said officers and a director, and may consist of one or more instruments so executed;

(h) "Certified resolution" means a copy of a resolution certified by the secretary or an assistant secretary of the Company under its corporate seal to have been duly passed by the directors and to be in full force and effect on the date of such certification;

(i) "Mortgaged Equipment" means the cars specifically described in the First Schedule hereto and replacements of such cars subjected to the lien hereof by an instrument supplemental or ancillary hereto and accessions and replacements to any such cars or replacement cars; "Leasehold Equipment" means the cars specifically described in the Second Schedule hereto and replacements of such Leasehold Equipment described in an instrument supplemen-

tal or ancillary hereto and accessions and replacements to any of such Leasehold Equipment or replacement Leasehold Equipment; "Mortgaged Leaseholds" means the Company's interest as lessee in leases of the Leasehold Equipment from North American Car Corporation as lessor; and "mortgaged premises" means the property and assets hereby or by other instruments supplementary or ancillary hereto, granted, bargained, sold, ceded, transferred, assigned, mortgaged, hypothecated, pledged or charged by way of a fixed and specific mortgage, hypothec, pledge and charge to and in favour of the Trustee;

(j) "Leases" means all the present or future leases, bailments, licenses and agreements to lease, bail or license and sub-leases, sub-bailments, sub-licenses and agreements to sub-lease, sub-bail or sub-license and agreements to furnish all or any of the Mortgaged Equipment or Leasehold Equipment made as lessor or sub-lessor by the Company or any of its predecessors in title and all present or future agreements whereby the Company, or any of its predecessors in title, gives as lessor or sub-lessor any other person (a "lessee") a right to use any of the Mortgaged Equipment or Leasehold Equipment and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements or substitutions thereof or therefor which may hereafter be effected or entered into;

(k) "lien hereof" means the security constituted hereby or pursuant hereto in any manner whatsoever created;

(l) "Counsel" means a barrister or solicitor (who may be of counsel for the Company) acceptable to the Trustee;

(m) "Affiliate" means any person directly or indirectly controlling, controlled by, or under direct or indirect common control with the Company;

(n) "permitted liens" shall mean with respect to the Mortgaged Equipment, Leasehold Equipment or the Mortgaged Leaseholds, as the case may be, which the Company owns or shall own or in which it has or shall acquire an interest:

(i) the lien of taxes, assessments or governmental charges which are not at the time delinquent;

(ii) the lien of specified taxes, assessments or governmental charges which are delinquent but the validity of which is being contested at the time in good faith by or on behalf of

the Company or any other person with an interest in such Mortgaged Equipment, Leasehold Equipment or Mortgaged Leaseholds, unless thereby in the opinion of counsel any part of or all of such Mortgaged Equipment or Mortgaged Leaseholds may be lost or forfeited;

(iii) rights reserved to or vested in any government, municipality or public authority to control or regulate any such Mortgaged Equipment, Leasehold Equipment or Mortgaged Leaseholds, or to use such Mortgaged Equipment or Leasehold Equipment in any manner which has no material adverse effect on the use of such Mortgaged Equipment or Leasehold Equipment for the Company's purposes;

(iv) liens of employees and laborers for current wages, not yet due, incidental to current operations, and liens of others for current indebtedness, not yet due, incidental to current operations, including maintenance, repair and alteration; mechanics', materialmen's, workmen's, repairmen's, contractors,' or engineers' liens, or statutory or other similar liens arising out of the construction or improvement of property or the furnishing of materials or supplies therefor (a) which are not fixed as to amount, or (b) which have not been filed or perfected pursuant to law against the Company, or (c) which are not yet due and payable, or (d) which are being contested in good faith;

(v) Leases existing on the date of delivery hereof and options to purchase cars bearing serial numbers 22556 to 22558 (being part of the Mortgaged Equipment) and cars bearing serial numbers 4707, 4709, 4711 and 4849-4852 (being part of the Leasehold Equipment) contained on the date of delivery hereof in the Leases of such cars and enabling the lessee(s) thereunder to purchase such cars on the expiration of the term of such Leases respectively except to the extent that any such Lease or option is effectively subordinated to the lien of this Trust Deed; and

(vi) this Trust Deed.

(o) "Person" means any entity whether natural or artificial;
and

(p) Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

SECTION 1.02. Every Bond certified and delivered by the Trustee hereunder shall be deemed to be outstanding until it shall be cancelled or moneys for the payment thereof shall be set aside under Article Eight.

SECTION 1.03. The division of this Deed of Trust and Mortgage into Articles and Sections, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Trust Deed.

SECTION 1.04. This Trust Deed and the Bonds shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respect as Ontario contracts.

ARTICLE TWO

THE BONDS

SECTION 2.01. The aggregate principal amount of Bonds which may be issued hereunder and secured hereby shall be limited to the sum of \$4,000,000 in lawful money of the United States of America and the principal of the Bonds and the interest thereon shall be payable as hereinafter provided in the form of Bonds set forth in Section 2.03.

SECTION 2.02. The Bonds shall be designated "9.85% Demand Equipment Bonds, First 1973 Series" and shall be issuable as fully registered Bonds without coupons in any denomination.

SECTION 2.03. The Bonds and the Trustee's certificate to be endorsed on all Bonds shall be of substantially the following tenor, to-wit:

(Form of Bond)

No. \$.....

NORTH AMERICAN CAR (CANADA) LIMITED
(Incorporated under the laws of Ontario, Canada)

9.85% Demand Equipment Bond, First 1973 Series

NORTH AMERICAN CAR (CANADA) LIMITED (herein called the "Company") for value received hereby acknowledges itself indebted and promises to pay to the registered holder hereof (subject to provisions below regarding pledgees), on demand, or on such earlier date as the principal hereof may become due in accordance with the provisions of

the Deed of Trust and Mortgage hereinafter mentioned, the principal sum of Dollars (\$.....) in lawful money of the United States of America on presentation and surrender of this Bond at the principal office of Montreal Trust Company in Toronto, Canada, or, at the option of the registered holder hereof, at the principal office of American National Bank and Trust Company of Chicago, in Chicago, Illinois, United States of America, and to pay on demand, interest on the said principal sum at the rate of 9.85% per annum, computed from the date hereof, in like money, and should the Company at any time make default in the payment of any principal or interest, to pay interest on the amount in default at the same rate in like money at the same places and on demand. Interest hereon shall be payable (except at maturity when interest at the option of the Company may be paid only on surrender hereof) by cheque mailed to the registered holder hereof as provided in the Trust Deed and, subject to the provisions of the Trust Deed, the mailing of such cheque shall satisfy and discharge the liability for interest on this Bond to the extent of the sum represented thereby.

This Bond is one of a duly authorized issue of 9.85% Demand Equipment Bonds, First 1973 Series of the Company secured by a Deed of Trust and Mortgage made as of the 16th day of April, 1973 (herein called the "Trust Deed") between the Company and Montreal Trust Company, as Trustee. The aggregate principal amount of the Bonds which may be issued under and secured by the Trust Deed is limited to \$4,000,000 in lawful money of the United States of America.

In the event that a pledge of this Bond is registered in the books of the Trustee and notice thereof is endorsed on this Bond the pledgee is entitled to payments to be made under this Bond and the other rights provided in section 2.06 of the Trust Deed.

This Bond and all other Bonds now or hereafter certified and issued under the Trust Deed are secured equally and ratably without priority or preference by the Trust Deed which mortgages and charges to and in favor of the Trustee by way of a fixed and specific mortgage and charge upon certain equipment described and enumerated in the Trust Deed, which Trust Deed is hereby referred to for full particulars of the security created thereby, the rights of the holders of the Bonds issued thereunder and of the Company and of the Trustee in respect thereof and the terms and conditions upon which the Bonds are issued, secured and held, to all of which the holder of this Bond by acceptance hereof assents.

Upon compliance with the provisions of the Trust Deed, Bonds may be exchanged for Bonds of other authorized denominations of the same aggregate principal amount and Bonds may be transferred.

This Bond shall not become obligatory for any purpose until certified by or on behalf of the Trustee for the time being under the Trust Deed.

IN WITNESS WHEREOF the Company has caused its corporate seal to be hereunto affixed and this Bond to be signed by its proper officers thereunto duly authorized this day of, 19...

NORTH AMERICAN CAR (CANADA) LIMITED

By
Vice President

By
Assistant Secretary

(Form of Trustee's Certificate)

This Bond is one of the 9.85% Demand Equipment Bonds, First 1973 Series issued pursuant to the Trust Deed within mentioned.

MONTREAL TRUST COMPANY
Trustee

By
Authorized Signature

SECTION 2.04. The Bonds shall be under the corporate seal of the Company or a reproduction thereof (which shall be deemed to be the corporate seal of the Company) and shall be signed by the chairman of the board of directors, president or a vice president and by the secretary or an assistant secretary of the Company. The signatures of such officers may be mechanically reproduced in facsimile and Bonds bearing such facsimile signatures shall be binding upon the Company as if they had been manually signed by such officers. Notwithstanding that any of the persons whose manual or facsimile signature appears

on any Bond as one of such officers may no longer hold office at the date of certification and delivery of such Bond, any Bond signed as aforesaid shall be valid and binding upon the Company.

No Bond shall be issued or, if issued, shall be obligatory or entitled to the security hereof until it has been certified by or on behalf of the Trustee substantially in the form of the certificate set forth in Section 2.03 and such certification by the Trustee upon any Bond shall be conclusive evidence as against the Company that the Bond so certified has been duly issued hereunder and is a valid obligation of the Company and is secured hereby.

SECTION 2.05. In case any of the Bonds issued and certified hereunder shall become mutilated or be lost, destroyed or stolen, the Company in its discretion may issue and thereupon the Trustee shall certify and deliver a new Bond of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated Bond or in lieu of and in substitution for such lost, destroyed or stolen Bond and the substituted Bond shall be in a form approved by the Trustee and shall be entitled to the security hereof and rank equally in accordance with its terms and all other Bonds issued or to be issued hereunder. The applicant for a new Bond pursuant to this section shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Company and to the Trustee such evidence of ownership and of the loss, destruction or theft of the Bond so lost, destroyed or stolen as shall be satisfactory to the Company and the Trustee in their discretion and such applicant may also be required to furnish indemnity in amount and form satisfactory to them in their discretion, and shall pay the reasonable charges of the Company and the Trustee in connection therewith.

SECTION 2.06. Bonds may be issued originally in such name or names as may be designated in writing by the Company to the Trustee by order signed by the president or a vice president of the Company. Bonds may from time to time be exchanged by the registered holder thereof upon surrender thereof for other Bonds of authorized denominations and for like aggregate principal amount. Such exchanges shall be made at the office of the Trustee which may make a reasonable charge therefor. The parties hereto may deem and treat the registered holder

of any Bond as the absolute owner of such Bond for all purposes, free from all rights of set-off or counterclaim, and shall not be affected by any notice to the contrary, except that, notwithstanding anything herein contained, the Trustee may in its discretion register the pledgee of any Bond as well as the holder thereof in which case:

- (a) such Bond shall be endorsed appropriately,
- (b) all payments to be made hereunder or under such Bond to the registered holder thereof shall be made to the pledgee,
- (c) either the pledgee or the holder may make any demand for principal of and/or interest on such Bond,
- (d) the holder's interest in such Bond may not be transferred without the consent of the pledgee,
- (e) any notice to be given to the registered holder of such Bond hereunder will be given to both the pledgee and the holder,
- (f) no vote, waiver, consent, approval, request, direction, requisition or similar action in respect of such Bond may be effectively made or given by the holder without the concurrence of the pledgee, and
- (g) the terms 'registered holder of a Bond', 'Bondholder' and other terms with similar meanings shall be interpreted to give effect to this section 2.06.

For any registration or transfer, the Trustee may establish its reasonable requirements and at its option may, and if so requested by the Company shall, require the payment of a sum sufficient to reimburse it for any stamp tax or any other governmental charge connected therewith.

SECTION 2.07. Following the execution and delivery hereof, the Bonds, to the aggregate principal amount of \$4,000,000, shall forthwith be executed by the Company and certified by or on behalf of the Trustee and delivered by it to or upon the written order of the Company.

SECTION 2.08. All or any of the Bonds may be pledged, mortgaged or charged from time to time by the Company as security for advances or loans to or for indebtedness or any other obligation of the Company, and when re-delivered to the Company or its nominees on or without

payment, satisfaction, release or discharge in whole or in part of any such advances, loans, indebtedness or obligations, may (except when acquired pursuant to any provision of the Bonds or of this Trust Deed or pursuant to a resolution of the directors which provision or resolution requires cancellation and retirement of such Bonds so acquired), before but not after maturity be issued or reissued, pledged or charged, sold or otherwise disposed of from time to time as the Company may think fit, and all such Bonds so issued or reissued shall rank as Bonds secured hereby and shall continue to be entitled, as upon their original issue, to the benefit of all the terms, conditions, rights, priorities and privileges hereby attached to or conferred on Bonds outstanding hereunder.

ARTICLE THREE

SECURITY

SECTION 3.01. In consideration of the premises and of one dollar to it in hand paid by the Trustee, the receipt whereof is hereby acknowledged, and to secure the due payment of the principal and any interest on the Bonds issued and certified hereunder and all other moneys for the time being and from time to time owing on the security hereof and the due performance of the obligations of the Company herein contained, the Company hereby grants, bargains, sells, cedes, transfers, assigns, mortgages, hypothecates, pledges and charges as and by way of a fixed and specific mortgage hypothec, pledge and charge to and in favour of the Trustee, its successors and assigns:

(i) the Mortgaged Equipment, subject to the Leases existing on delivery hereof and to the purchase options referred to in clause 1.01(n) (v) which are not effectively subordinated hereto:

(ii) the Mortgaged Leaseholds subject to Leases and purchase options existing on the date of delivery hereof, excepting, however, Leases and purchase options which are effectively subordinated hereto;

(iii) all right, title and interest of the Company as lessor in, to, under or in respect of all rents and other moneys now due and payable or hereafter to become due and payable under each and every Lease and under each and every existing and future guarantee of all or any of the obligations of any lessee under any Lease with full power and authority to demand, sue for, recover, receive and give receipts for all rents and other moneys payable thereunder; and

(iv) all cash that may at any time be deposited with or held by the Trustee in accordance with the provisions hereof.

TO HAVE AND TO HOLD the above property and assets and all the rights hereby conferred unto the Trustee, its successors and assigns, forever, but in trust, nevertheless, for the uses and purposes and with the powers and authorities and subject to the terms and conditions herein mentioned and set forth.

SECTION 3.02. All the Bonds shall rank *pari passu* and shall be secured hereby equally and ratably.

SECTION 3.03. The mortgages and charges hereby created or provided to be created shall be effective whether the moneys thereby secured or any part thereof shall be advanced before or after or at the same time as the issue of any of the Bonds intended to be secured thereby or before or after or upon the date of execution of this Deed of Trust and Mortgage.

SECTION 3.04. The Company hereby covenants and agrees with the Trustee that:

(a) subject to permitted liens: it lawfully owns and is lawfully possessed of the Mortgaged Equipment and Mortgaged Leaseholds; it has good right and lawful authority by these presents to mortgage and charge the same; this Trust Deed when registered or recorded as hereinafter provided will constitute a valid and enforceable first lien upon the Mortgaged Equipment and Mortgaged Leaseholds; all the Mortgaged Equipment and Mortgaged Leaseholds are free and clear of any other deed of trust, mortgage, lien, charge or encumbrance thereon or affecting the title thereto, it will warrant and defend its title thereto against the claims and demands of all persons whomsoever;

(b) it will from time to time execute and do all such assurances and things as in the opinion of Counsel are necessary or advisable for validly giving to the Trustee the fixed and specific mortgage and charge hereby intended to be created and all such assurances shall be in such form as Counsel may advise;

(c) it will forthwith after the execution of this Trust Deed and after the execution of each instrument supplemental hereto register the same with the Interstate Commerce Commission in

accordance with Section 20c of the Interstate Commerce Act of the United States of America and at all offices in the mainland provinces of Canada where the registration or recordation thereof may in the opinion of Counsel be necessary to the security hereby created or intended so to be and will deliver or exhibit to the Trustee on demand evidence of such registration, and will do, observe and perform all matters and things necessary or expedient to be done, observed or performed for the purpose of creating and maintaining the mortgage and charge hereby constituted as a valid and effective security;

(d) as soon as practicable after execution of this Trust Deed, there shall be plainly, distinctly, permanently and conspicuously placed and fastened upon each side of each car specifically described in the First Schedule or the Second Schedule hereto a metal plate bearing the following words, or such words shall be otherwise plainly, distinctly, permanently and conspicuously marked on each side of each such car, in either case in letters not less than seven-sixteenths (7/16) of one inch in height:

TITLE TO THIS CAR IS SUBJECT TO A DEED OF
TRUST AND MORTGAGE DATED AS OF APRIL 16, 1973,
BETWEEN NORTH AMERICAN CAR (CANADA)
LIMITED AND MONTREAL TRUST COMPANY;

Such plates or marks shall be such as to be readily visible, and as to indicate plainly that title to each such car is subject to this Trust Deed and if any such plates or marks are at any time removed, defaced or destroyed while this Trust Deed remains in effect, the Company shall forthwith cause the same to be restored or replaced.

(e) after the security hereby created shall have become enforceable and the Trustee shall have determined or become bound to enforce the same, it will from time to time execute and do all such assurances and things as the Trustee may reasonably require for facilitating the realization of the Mortgaged Equipment and Mortgaged Leaseholds and for exercising all the powers, authorities and discretions hereby conferred upon the Trustee and for confirming to any purchaser of any of the Mortgaged Equipment or Mortgaged Leaseholds, whether sold by the Trustee hereunder or otherwise, the title to the property so sold and will give all notices and directions as the Trustee may consider expedient, and

specifically, but without limiting the generality of the foregoing, it will from time to time on request from the Trustee execute and deliver to the Trustee any one or more of the following: (i) specific assignments of all rents or other moneys then due or payable or thereafter to become due or payable under any one or more of the Leases and existing or future guarantees of all or any of the obligations of any lessee under any Lease and (ii) an assignment of all the right, title and interest of the Company as lessor in, to and out of all of the Leases and existing and future guarantees of all or any of the obligations of any lessee under any Lease, and all benefits and advantages to be derived therefrom and the full benefit of all powers, covenants, and conditions therein contained or thereunder arising; in each case as may be necessary or advisable to subject the same to the specific lien hereof and in such form as Counsel may advise. It is agreed that the Trustee will not give any notice of the assignment of rents and other moneys pursuant to Clause 3.01 (iii) or the lien hereof to any lessee under any Lease or to any party to a guarantee referred to in such clause until the security hereby created shall have become enforceable and the Trustee shall have become determined or been bound to enforce the same; and

(f) all the Mortgaged Equipment and the Leasehold Equipment is standard-gauge railroad equipment first put into use on or after December 1, 1971 as new equipment and none of such Mortgaged Equipment or Leasehold Equipment is passenger or work equipment.

SECTION 3.05. These presents are upon this express condition, that if the Company shall well and truly pay to the holders of the Bonds or their designees, or part to one and part to the other, the principal of the Bonds and any interest thereon as the same shall respectively become due and payable and shall also pay all other sums payable hereunder by the Company and secured hereby and shall keep, perform and observe the covenants in the Bonds and in this Trust Deed agreed to be kept, performed and observed by or on part of the Company, then these presents and the estate and rights hereby granted shall cease and become utterly null and void and the Mortgaged Equipment and Mortgaged Leaseholds shall revert to and revest in the Company without any release, acquittance, reconveyance, reentry or other act or formality whatsoever.

ARTICLE FOUR

POSSESSION, USE AND RELEASE OF MORTGAGED
EQUIPMENT AND MORTGAGED LEASEHOLDS

SECTION 4.01. Until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same, the Company shall be permitted in the same manner and to the same extent as if this Trust Deed had not been executed but subject to the express terms hereof to possess, operate, manage, use and enjoy the Mortgaged Equipment, Leasehold Equipment and Mortgaged Leaseholds and use the rents, incomes, profits and issues thereof. Without limiting the generality of the foregoing, the Company may from time to time (a) make, or cause to be made, at its expense, changes and alterations in the design, structure and equipment of any of the Mortgaged Equipment and Leasehold Equipment as the Company may deem desirable to better meet the transportation requirements of users of the Mortgaged Equipment and Leasehold Equipment, and (b) collect, take and use the rents and other moneys due and becoming due under the Leases and any existing and future guarantees of all or any of the obligations of any lessee under any Lease, and (c) make as lessor Leases and deal with Leases and any present and future guarantees of all or any of the obligations of any lessee under any Lease including amending, terminating, extending, forfeiting and enforcing the same and waiving obligations thereunder, provided however that no such amendment shall adversely affect, to a material degree, the obligations of the Company under the Lease so amended, and deal with Mortgaged Leaseholds including amending, terminating, surrendering and enforcing the same and waiving obligations thereunder, and (d) include in any such Lease a grant by the Company of an option to purchase such Mortgaged Equipment or Leasehold Equipment; provided that no future Lease (or right therein including a purchase option) will be made or purport to be made with priority over this Trust Deed or the lien hereof unless the Trustee shall consent thereto in writing. Unless the Trustee otherwise consents, the Company covenants that it shall cause substantially the following clause to be inserted in each Lease entered into after April 16, 1973:

"It is understood that some or all of the cars furnished Lessee under this Agreement and Lessor's rights under this Agreement may at the time of delivery to Lessee or at some future time during the term of this Agreement be subject to the terms of any lien or encumbrance [a "Lien"] including a Mortgage, Deed of Trust, Equipment Trust, Pledge or Bill of Sale or similar security arrangement. Lessee agrees that any or all of the cars may be stenciled or marked to set forth the ownership of any such cars in the name of the holder of any Lien [the "Lien holder"] including a mortgagee, trustee, pledgee, assignee or security holder and that this Agreement and Lessee's rights hereunder are and shall

at all times be subject and subordinated to any and all rights of any Lien holder. Lessee agrees that upon the written request of Lessor or any Lien holder at any time or from time to time, Lessee will enter into a written agreement with any Lien holder[s] [i] that the Lien[s] will have priority and be entitled to all rights therein as though the Lien were made before this Agreement and on the making of this Agreement the Lessee had knowledge of the Lien, [ii] confirming the security created by the Lien and rights given to the Lien holder[s], and [iii] postponing and deferring this Agreement and its rights hereunder and to the cars and agreeing that they will be subject and subordinate to the Lien[s] and the rights of the Lien holder.

"This Agreement and/or any of the Lessor's rights hereunder, including rentals, may have been assigned and may in the future be assigned to any Lien holder[s] or others. Lessee hereby consents to and accepts any such Assignment. Lessee acknowledges notice of any such Assignment and of any Lien which is filed under Section 20c of the Interstate Commerce Act of the United States of America. However, Lessee is to pay all rentals hereunder to the Lessor and have all its dealings hereunder with the Lessor until notified to the contrary by any person proving to the Lessee's reasonable satisfaction that he is the assignee of this Agreement and/or the relevant rights of the Lessor hereunder and is entitled to intervene. Lessee represents that it has received no notice of any other mortgage, charge, hypothec or encumbrance on or of any assignment, sale or disposition of any car covered hereby or of any of the Lessor's rights hereunder."

Unless Trustee otherwise consents, the Company further covenants and agrees to use its best efforts to cause substantially the following additional clause to be inserted in each Lease entered into after April 16, 1973:

"Lessee agrees that no claim or defense which Lessee may have against Lessor shall be asserted or enforced against any assignee of this Agreement and/or any rights of the Lessor hereunder."

The Company covenants and agrees that, upon the written request of the Trustee, the Company will from time to time promptly furnish to the Trustee true and correct copies of all Leases in effect but the Trustee shall not be under any duty to make any such request. The Company hereby irrevocably makes, constitutes and appoints the Trustee the lawful agent and attorney-in-fact of the Company with full right, power and authority, in the event of the happening of an event of default, as defined in Section 6.01, to effect the assignment to the Trustee of all rights of the Company existing or arising out of all Leases to which the Company is then a party.

SECTION 4.02. The Company covenants and agrees with the Trustee as follows:

(a) The Company will cause all of the Mortgaged Equipment and Leasehold Equipment to be maintained in good order and repair and will make or cause to be made all repairs and changes in the Mortgaged Equipment and Leasehold Equipment necessary in order to make and keep such equipment acceptable for interchange in accordance with general railroad rules and regulations; provided, however, that, upon giving notice to the Trustee, the Company may in good faith contest the validity of any such rules or regulations or the applicability thereof to the Mortgaged Equipment and Leasehold Equipment or any part thereof in any reasonable manner which will not, in the judgment of the Trustee, materially endanger the rights or interest of the Trustee or of the Bondholders;

(b) The Company will comply in all respects with the laws of all jurisdictions in which the Mortgaged Equipment or Leasehold Equipment may be operated and with all lawful rules, regulations and orders of all governmental bodies having power to regulate or supervise any of such equipment, provided however, that the Company may in good faith contest the validity of any such law, rule, regulation or order or the application thereof to the Mortgaged Equipment or Leasehold Equipment or any part thereof in any reasonable manner which will not materially endanger the rights or interests of the Trustee or of the Bondholders;

(c) (i) In the event that any of the Mortgaged Equipment shall be destroyed or damaged beyond repair, the Company notifies the Trustee that it intends to sell or assign its rights in any of the Mortgaged Equipment, or if any of the Mortgaged Equipment does not comply with or fulfill the terms of this Trust Deed, the Company, in its election, will immediately either (x) cause such Mortgaged Equipment to be replaced, at the Company's cost, by either equipment of aggregate fair market value or cost to the Company, whichever is lower, equal to the aggregate fair market value, immediately prior to the occurrence of such event, of the Mortgaged Equipment replaced or to be replaced or (xx) pay to the Trustee an amount of money equal to the aggregate fair market value of such Mortgaged Equipment immediately prior to the occurrence of such event or (xxx) cause part of such Mortgaged

Equipment to be replaced, at the Company's cost, and pay to the Trustee an amount equal to the difference between the fair market value or cost to the Company, whichever is lower, of such replacement equipment and the aggregate fair market value of all such Mortgaged Equipment immediately prior to the occurrence of such event.

(ii) If the Company elects to proceed under Item (xx) or Item (xxx) of subclause (i) above and does not serve a notice on the Trustee as contemplated in subclause (iii) next following, the Trustee shall hold such moneys as were paid to it under those Items (less any payments made to the Company under this subclause (ii)) for a period of one year during which, from time to time, the Company may but is not required to replace by equipment any or all of such Mortgaged Equipment or the portion thereof not previously replaced pursuant to Item (xxx) of subclause (i) above or this subclause (ii) whereupon the Trustee shall release to the Company from such moneys an amount equal to the lesser of the fair market value or the cost to the Company of such replacement equipment.

(iii) If the Company serves notice on the Trustee at the time it pays moneys to the Trustee pursuant to Item (xx) or Item (xxx) of subclause (i) above or during the one year period referred to in Subclause (ii) above to the effect that it does not intend to replace such Mortgaged Equipment, the Trustee shall immediately pay the whole of such moneys to the person or persons who would be entitled at such time to demand interest payments on the Bonds in amounts equal to each such person's proportionate right to receive such interest payments on such Bonds and any such payments made shall be applied in payment on the principal of the outstanding Bonds.

(iv) If the Company does not serve the notice contemplated in subclause (iii) above, and does not replace all of such Mortgaged Equipment pursuant to subclause (ii) above, then upon the termination of the one year period the Trustee shall pay the whole of such moneys as were paid to it less any payments which it made to the Company pursuant to subclause (ii) above to the person or persons entitled at that time to demand interest payments on the Bonds in amounts equal to

each such person's proportionate right to receive such interest payments on such Bonds and any such payments made shall be applied in payment on the principal of the outstanding Bonds.

(v) At the time of every replacement or payment under the provisions of this Clause (c), the Company shall deliver to the Trustee a certificate of the Company stating the fair market value (as aforesaid) of such Mortgaged Equipment and the cost and the fair market value of the replacement cars. In case of each replacement, the Company shall also deliver to the Trustee an opinion of Counsel to the effect that the Company has good title to such replacement cars, free from all liens and encumbrances other than permitted liens and Leases and purchase options then existing which are disclosed excepting any such Leases or purchase options which are effectively subordinated hereto, which opinion may be given in reliance upon a certificate of the Company as to the absence of liens and encumbrances. Any such replacement cars shall immediately be part of the Mortgaged Equipment, subject to all the terms and conditions hereof in all respects as though they had been part of the original Mortgaged Equipment.

(vi) Following any such payment for or replacement of Mortgaged Equipment pursuant to the provisions of this Clause (c), the Trustee shall execute and deliver to the Company a release from the lien hereof of such Mortgaged Equipment which has been so paid for or replaced.

(d) The Company will keep in effect its present or equivalent policies of insurance on the Mortgaged Equipment whereby the Company is insured against loss or damage resulting from risks comparable to those risks insured against by the Company on other cars owned or leased by the Company up to at least an amount equal to the cost of such Mortgaged Equipment as shown on the Company's books less accumulated depreciation as shown on the Company's books; provided, however, that such depreciation shall not be based on a useful life of less than 25 years. The aggregate of such insured values as to the Mortgaged Equipment will equal or exceed the fair market value of the Mortgaged Equipment current from time to time. In lieu of insurance, the Company's practice is to require lessees of the Mortgaged Equipment to bear the risk of loss of the Mortgaged Equipment and

the Company shall not be required to insure any Mortgaged Equipment the risk of loss of which is borne by the lessee. The Company will pay the premiums for such insurance and deliver to the Trustee, at least once in every year, a certificate, signed by its president or by one of its vice presidents, stating that such insurance is in effect and naming the insurer or insurers. If the Company shall fail to maintain such insurance, the Trustee may (but shall be under no obligation so to do) cause the Mortgaged Equipment to be insured in such amount as the Trustee shall deem advisable for the protection of the Bondholders and may demand and recover from the Company the premiums so paid plus any financing expense incurred by the Trustee in order to pay such premiums. In case the Company fails to make and maintain such insurance and the Trustee insures the Mortgaged Equipment or any part thereof as above provided, the lien of this Trust Deed on the Mortgaged Equipment shall secure such amounts paid by the Trustee for insurance, and, notwithstanding the making of all other payments hereunder to be made by the Company such lien shall remain until the repayment of the amount so paid for insurance with any financing expense, as aforesaid, and the repayment of such amount is hereby expressly made one of the obligations to be performed before this Trust Deed shall be released as to the Mortgaged Equipment.

(e) The Company will furnish to the Trustee, whenever required by the Trustee, and at least once, at or before April 15, in 1974 and in every calendar year thereafter so long as any of the Bonds remain outstanding, an officers' certificate signed by the chairman of the board or the president or any vice president and by the treasurer or any assistant treasurer or the secretary or any assistant secretary of the Company, dated as of the last day of the preceding January, stating the amount, description and numbers of all Mortgaged Equipment and Leasehold Equipment that may have become worn out, or that may have become unsuitable for use or lost or destroyed by accident or otherwise or have been purchased since the date of the last preceding statement (or the date of this Trust Deed in the case of the first statement) and that to the knowledge of the officers signing the certificate the Company has complied with the terms of this Trust Deed and specifically that there are no defaults by the Company hereunder or specifying the nature of such defaults as do exist hereunder. The Trustee shall have the right to inspect the Mortgaged Equip-

ment and Leasehold Equipment at such reasonable times and intervals as the Trustee may desire, however, the Trustee shall not be obligated to make any such inspections.

SECTION 4.03. Should all or any part of the Mortgaged Equipment or Mortgaged Leaseholds be taken by the exercise of any power of expropriation or under any similar power, the Trustee shall release the Mortgaged Equipment or Mortgaged Leaseholds so taken upon receipt by and deposit with the Trustee of:

(a) a certificate of the Company describing the Mortgaged Equipment or Mortgaged Leaseholds taken and the amount of the compensation therefor and stating either that such amount has been determined by arbitration or judicial proceedings and stating the fair market value of the Mortgaged Equipment or Mortgaged Leaseholds taken;

(b) cash in an amount equal to the fair market value of such property; and

(c) if required by the Trustee, an opinion of Counsel stating that such Mortgaged Equipment or Mortgaged Leaseholds have been duly taken by the exercise of one of the aforesaid powers.

In any proceedings for the taking of any part of the Mortgaged Equipment or Mortgaged Leaseholds by the exercise of any of the aforesaid powers, the Trustee may be represented by Counsel.

SECTION 4.04. When the trustee under the Indenture of Mortgage and Deed of Trust (the "U.S. Trustee") dated as of April 16, 1973 between American National Bank and Trust Company of Chicago, trustee, and North American Car Corporation ceases to have any right, title or interest in any car which forms part of the Leasehold Equipment then the Mortgaged Leaseholds and any Leases with respect thereto and any rights thereunder shall immediately cease to be subject to the charge of this Trust Deed, and shall revert to and revest in the Company without any release, acquittance, reconveyance, reentry or other act or formality whatsoever, provided, however, that the Trustee shall upon the request of the Company, execute any release, acquittance, reconveyance or other formal document upon being presented with a copy of a bill of sale wherein the U.S. Trustee purports to transfer and assign all its right, title and interest in such Leasehold Equipment.

SECTION 4.05.

(a) While moneys received by the Trustee under Section 4.02 or Section 4.03 remain with the Trustee such moneys and the in-

come therefrom shall be held in trust for the benefit of the Bondholders and, when the Bonds become payable hereunder, shall be applied in payment on the principal of the outstanding Bonds. The Trustee may, and upon the written request of the Company shall, invest all or any part of such moneys in direct obligations of the United States of America or of Canada.

(b) Upon the written request of the Company, the Trustee shall pay all or any part of the moneys which it received under Section 4.03 to the registered holders of the Bonds pro rata and any such payments made shall be applied in payment on the principal of the outstanding Bonds.

ARTICLE FIVE

GENERAL COVENANTS OF THE COMPANY; PAYING AGENT

SECTION 5.01. The Company covenants that it will punctually pay the principal and interest to become due in respect of all of the Bonds at the time and place and in the manner specified herein, all in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

SECTION 5.02. The Company covenants that it will at all times maintain its corporate existence, will carry on and conduct its business in a proper and efficient manner and in accordance with good business practice, will keep or cause to be kept proper books of account in accordance with good accounting practice, and will annually file with the Trustee a copy of its balance sheet as at the close of its last preceding fiscal year.

SECTION 5.03. The Company covenants that it will punctually pay and discharge every obligation lawfully incurred by it or imposed upon it or the Mortgaged Equipment, Mortgaged Leaseholds or any part thereof by virtue of any law, regulation, order, direction or requirement of any competent authority or any contract, agreement, lease, license, concession, franchise, permit or otherwise, failure to pay or discharge which might result in any lien or charge or any right of distress, forfeiture, termination or sale or any other remedy being enforced against the Mortgaged Equipment, Mortgaged Leaseholds or any part thereof and will exhibit to the Trustee when required reasonable evidence estab-

lishing such payments; provided that the Company may, upon furnishing such security, if any, as the Trustee may require, refrain from paying and discharging any such obligation so long as it shall in good faith contest its liability therefor.

SECTION 5.04. The Company covenants that it will not create, assume or suffer to exist any deed of trust, mortgage, pledge, encumbrance, lien or charge of any kind upon the mortgaged premises, except permitted liens.

SECTION 5.05. The Company covenants that it will pay to the Trustee reasonable remuneration for its services hereunder and will reimburse the Trustee for all moneys properly expended or advanced by the Trustee in the administration or execution of the trusts hereby created both before any default hereunder and thereafter until all duties of the Trustee under the trusts hereof shall be finally and fully performed; and the Trustee's remuneration and the moneys so expended or advanced, and any interest thereon, shall be secured hereby, and the Trustee shall have a lien therefor upon the Mortgaged Equipment and the proceeds thereof in priority to principal and interest of the Bonds secured hereby, and such moneys shall be payable out of any funds coming into the possession of the Trustee under the terms hereof.

SECTION 5.06. The Company covenants and agrees from time to time to do all such acts and execute all such instruments of further assurance as it shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this Trust Deed and the intent hereof.

SECTION 5.07. The Company covenants generally that it will well and truly perform and carry out all of the acts or things to be done by it as provided in this Trust Deed.

ARTICLE SIX

DEFAULT AND ENFORCEMENT

SECTION 6.01. The security hereby constituted shall become enforceable, subject to the terms herein contained, in each and every of the events following (herein sometimes referred to as "events of default"):

(a) if the Company makes default in payment of the principal of any Bond secured hereby when the same becomes due under any provision hereof or of the Bonds;

(b) if the Company makes default in payment of any interest due on any Bond secured hereby;

(c) if any order shall be made or an effective resolution be passed for the winding up or liquidation of the Company, except in the course of carrying out or pursuant to a transaction in respect of which the conditions of Section 8.02 are duly observed and performed;

(d) if the Company shall make a general assignment for the benefit of its creditors, or shall be declared bankrupt, or if a custodian or a sequestrator or a receiver and manager or any other officer with similar powers shall be appointed of the Company or of the Mortgaged Equipment, Mortgaged Leaseholds or any part thereof which is, in the opinion of the Trustee, a substantial part thereof;

(e) if an encumbrancer shall take possession of the Mortgaged Equipment, Mortgaged Leaseholds or any part thereof which is, in the opinion of the Trustee, a substantial part thereof or if a distress or execution or any similar process be levied or enforced thereagainst and remain unsatisfied for such period as would permit such property or such part thereof to be sold thereunder; and

(f) if the Company shall fail to carry out or observe any other covenant or condition herein contained on its part to be observed and performed and, after notice in writing has been given by the Trustee to the Company specifying such default and requiring the Company to put an end to the same, the Company shall fail to make good such default within a period of ninety days, unless the Trustee (having regard to the subject matter of the neglect or non-observance) shall have agreed to a longer period, and in such event, within the period agreed to by the Trustee.

SECTION 6.02. In case the security hereby constituted shall become enforceable as hereinbefore provided, the Trustee in its discretion may, and upon the written request of the holders of not less than 25% in principal amount of the then outstanding Bonds shall, by notice in writing to the Company declare the principal and any interest of all Bonds then outstanding and other moneys secured hereby to be due

and payable and the same shall forthwith become immediately due and payable to the Trustee, anything therein or herein to the contrary notwithstanding, and the Company shall forthwith pay to the Trustee for the benefit of the Bondholders the principal of and accrued and unpaid interest and interest on amounts in default on such Bonds and all other moneys secured hereby, together with subsequent interest thereon at the rate borne by the Bonds from the date of the said declaration until payment is received by the Trustee, such subsequent interest to be payable on demand at the places and in the moneys mentioned in and according to the tenor of the Bonds. Any and all moneys so collected by the Trustee shall be applied by it as hereinafter in Section 6.04 provided.

SECTION 6.03. In case the security hereby constituted shall become enforceable as hereinbefore provided, the Trustee may by its agents take possession of and/or exercise all rights in respect of all or any part of the Mortgaged Equipment and Mortgaged Leaseholds and retain all payments which up to that time have been made on account of rental for the Mortgaged Equipment and Leasehold Equipment and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, mileage or other charges of any kind earned by the Mortgaged Equipment and Leasehold Equipment or any part thereof, and, subject only to the rights, if any, under Leases which have priority over this Trust Deed, may lease the Mortgaged Equipment or Leasehold Equipment or any part thereof, or with or without retaking possession thereof (but only after declaring due and payable the entire amount payable by the Company as provided in Section 6.02 hereof) may sell the Mortgaged Equipment or Mortgaged Leaseholds or any part thereof, free from any and all claims of the Company at law or in equity, in one lot and as an entirety or in separate lots, in so far as may be necessary to perform and fulfill the trusts hereunder, at public or private sale, for cash or upon credit, in its discretion, and may proceed otherwise to enforce its rights and the rights of the holders of interests hereunder in the manner herein provided. Upon any such sale, the Trustee itself may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place, in such manner and at such time as the Trustee may specify, or as may be required by law, and without gathering at the place of sale the Mortgaged Equipment or Leasehold Equipment concerned, and in general in such manner as the Trustee may determine, but so that the Company may and shall have a reasonable opportunity to bid at any such sale.

Upon such taking possession, exercise of rights, lease or sale the Company shall cease to have any rights or remedies in respect of the Mortgaged Equipment or Leasehold Equipment hereunder, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Company, and no payments theretofore made by the Company for the rent or use of the Mortgaged Equipment or Leasehold Equipment or any of it shall, in case of the happening of any such event of default and such taking possession, lease or sale by the Trustee, give to the Company any legal or equitable interest or title in or to the Mortgaged Equipment or Leasehold Equipment or any of it or any cause or right of action at law or in equity in respect of the Mortgaged Equipment or Leasehold Equipment against the Trustee or the holders of Bonds hereunder. The holders of a majority in principal amount of the then outstanding Bonds shall have the right from time to time to direct which of the proceedings above provided for shall be taken for the enforcement of the remedies contained herein.

Upon any sale, the receipt of the Trustee for the purchase money shall be a sufficient discharge to any purchaser of the Mortgaged Equipment or Mortgaged Leaseholds or any part thereof sold as aforesaid; and no such purchaser or his representatives, grantees and/or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this Trust Deed, or in any manner whatsoever be answerable for any loss, misapplication or nonapplication of any such purchase money or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

SECTION 6.04. If, in case the security hereby constituted shall become enforceable as hereinbefore provided, the Trustee shall exercise any of the powers conferred upon it by this Article, all payments made by the Company to the Trustee hereunder after such event of default, and the proceeds of any judgment collected from the Company by the Trustee hereunder, and the proceeds of every sale of any of the Mortgaged Equipment and of any of the Mortgaged Leaseholds and every lease of the Mortgaged Equipment or the Leasehold Equipment, together with any other sums which may then be held by the Trustee under any of the provisions hereof, shall be applied by the Trustee to the payment in the following order or priority: (a) of all proper charges, expenses or advances made or incurred by the Trustee in ac-

cordance with the provisions hereof and (b) of the interest then due, at the rate borne by the Bonds, and of the principal of all the outstanding Bonds, all such payments to be in full if such proceeds shall be sufficient, and if not sufficient, then pro rata without preference between principal and interest.

After all such payments shall have been made in full, the Trustee's title to any of the Mortgaged Equipment and Mortgaged Leaseholds remaining unsold shall be conveyed by the Trustee to the Company along with any Leases and rents falling due thereunder which have been deposited with the Trustee free from any further liabilities or obligations to the Trustee hereunder. If after applying all such sums of money realized by the Trustee as aforesaid there shall remain any amount due to the Trustee under the provisions hereof, the Company agrees, forthwith and without notice or demand, to pay the amount of such deficit to the Trustee. If after applying as aforesaid the sums of money realized by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Company.

SECTION 6.05. If at any time after the principal of all the Bonds shall have been declared and have become due and payable as in Section 6.02 provided, all arrears of principal and interest of the Bonds, the expenses of the Trustee occasioned by the Company's default, and all other sums which shall have become due and payable by the Company hereunder shall be paid by the Company before any sale by the Trustee of any of the Mortgaged Equipment or the Mortgaged Leaseholds or any lease of the Mortgaged Equipment or Leasehold Equipment by the Trustee and every other default in the observance or performance of any covenant or condition hereof shall be made good or secured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every such case, the Trustee, if so requested by the holders of at least a majority in principal amount of the Bonds then outstanding, shall by written notice to the Company waive the default by reason of which there shall have been such declaration or declarations and the consequences of such default, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 6.06. No taking of possession of the Mortgaged Equipment by the Trustee, or any sale of the Mortgaged Equipment or the Mortgaged Leaseholds or any lease of the Mortgaged Equipment or the

Leasehold Equipment, nor any action or failure or omission to act against the Company or in respect of the Mortgaged Equipment or Mortgaged Leaseholds on the part of the Trustee or on the part of the holder of any Bond, nor any delay or indulgence granted to the Company by the Trustee or by any such holder, shall affect the obligations of the Company hereunder. The Trustee may at any time upon notice in writing to the Company apply to any court of competent jurisdiction for instructions as to the application and distribution of the property held by it.

SECTION 6.07. In case the Trustee shall demand possession of the Mortgaged Equipment pursuant to the provisions hereof, and shall reasonably designate a point or points for the delivery of the Mortgaged Equipment to it, the Company, subject to the rights of any lessees of the Mortgaged Equipment, shall at its own expense forthwith and in the usual manner cause the Mortgaged Equipment to be moved to such point or points as shall be designated by the Trustee and shall there deliver or cause to be delivered the same to the Trustee, or the Trustee may at its option keep the Mortgaged Equipment on any of the lines of railroads or premises of the Company until the Trustee shall have leased, sold or otherwise disposed of the same, and for such purpose the Company agrees to furnish without charge for rent or storage the necessary facilities at any convenient point or points selected by the Trustee. It is hereby expressly covenanted and agreed that the performance of this covenant is of the essence of this Trust Deed and that, upon application to any court having jurisdiction in the premises, the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

SECTION 6.08. The Trustee is hereby irrevocably appointed special agent and representative of the holders of the Bonds and vested with full power in their behalf to effect and enforce this Trust Deed for their benefit as provided herein; but anything in this Trust Deed contained to the contrary notwithstanding, the holders of at least a majority in principal amount of the Bonds then outstanding shall have the right from time to time, if they so elect and manifest such election by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct and control the method and place of conducting any and all proceedings for any sale of the Mortgaged Equipment or Mortgaged Leaseholds, or any adjournment thereof, or for the appointment of a receiver or a receiver and manager or for any other action

or proceeding hereunder, provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Trust Deed, but they shall have no right to involve the Trustee in any personal liability of any kind to anybody without first and from time to time indemnifying it to its satisfaction.

SECTION 6.09. The remedies in this Trust Deed provided in favor of the Trustee and the holders of the Bonds, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity.

ARTICLE SEVEN

CONCERNING THE TRUSTEE

SECTION 7.01. The Trustee shall cause to be kept at its office in Toronto, Canada, books for the registration and transfer of the Bonds and upon presentation for such purpose the Trustee will transfer and register or cause to be transferred and registered as hereinbefore provided, and under such reasonable regulations as it may prescribe, any of the Bonds.

SECTION 7.02. The Trustee hereby accepts the trusts imposed upon it by this Trust Deed subject to the terms hereof, including the following express terms and conditions:

(a) The Trustee assumes no liability for anything other than its own wilful misconduct or negligence. The Trustee assumes no responsibility for the payment of the Bonds unless furnished with funds for that purpose. It assumes no responsibility for the sufficiency of insurance policies, adequacy of insurance, or responsibility of insurers. It shall be required to undertake no act or duty in the way of taking care of, or taking possession of, the Mortgaged Equipment or Leasehold Equipment or Mortgaged Leaseholds until secured to its satisfaction against all liability and expense. No duty of insurance or of repairs or of the protection of any of the Mortgaged Equipment or Leasehold Equipment or Mortgaged Leaseholds is incumbent upon it, nor shall it be responsible for the filing, registration, recording, refiling or re-recording of this Trust Deed or of any agreement supplemental hereto or amendatory hereof, nor to ascertain whether any taxes, licenses or assessments have been imposed or remain unpaid upon

or against the Mortgaged Equipment or Leasehold Equipment or Mortgaged Leaseholds or any part thereof; and the Trustee may issue and deliver Bonds in advance of such registration, filing or recording.

(b) The Trustee shall be protected and incur no liability in acting under any request, resolution, certificate or opinion of Counsel provided for herein which it deems genuine and sufficient.

(c) The Trustee may consult with Counsel (who may, in cases deemed by the Trustee, in its reasonable discretion, to be appropriate, be counsel for the Company) in respect to any matter pertaining to the trusts hereby created, or the execution thereof, and shall be fully protected for any act or failure to act hereunder, reasonably done or omitted by it in good faith in accordance with the opinion of Counsel, provided that the opinion of such Counsel is not contrary to the express provisions of this Trust Deed, and such act or omission shall be conclusive upon the parties hereto and upon all holders of Bonds.

(d) The Trustee shall in no way be liable for any covenant herein agreed to be performed by the Company, nor for any act or thing done or omitted to be done by the Company under the provisions hereof.

(e) The Trustee shall not be responsible for any recital, statement or representation herein or in the Bonds contained, or in any paper furnished or filed with the Trustee pursuant to the provisions hereof, and it shall be conclusively presumed that all such recitals, statements and representations are not made by the Trustee.

(f) The Trustee shall not be responsible in any manner whatsoever for the validity or legal effect of this Trust Deed or of the Bonds or for the sufficiency of title to the Mortgaged Equipment, Mortgaged Leaseholds or for the validity of or sufficiency of title to the Leases.

(g) The Trustee shall not in any event be responsible for the act of any agent, provided only such agent is selected with reasonable care.

(h) The Trustee shall be entitled to reasonable compensation from the Company for all services rendered by it in the execution of the trusts hereby created (which shall not be limited to the compensation for trustees provided by law). The Trustee shall be

reimbursed by the Company for any expenditures made by the Trustee on account of any of the provisions or requirements hereunder, or for any liability or damages which the Trustee may incur or sustain and such compensation and expenditure, as well as all its reasonable expenses, including the compensation and reasonable expenditure of agents, attorneys in fact and legal Counsel and attorneys, incurred or actually disbursed, and, except in respect of any liability, damages or expenses, including Counsel fees, arising from or as a result of the Trustee's wilful misconduct or gross negligence and, subject to the foregoing exception, any and all sums advanced and paid out by the Trustee out of its own funds or funds advanced by holders of Bonds shall be withheld by the Trustee out of the moneys paid to it under the terms hereof and applied in reimbursement of any such advances.

(i) Anything herein contained to the contrary notwithstanding, the Trustee shall be under no obligation to take action for the execution or enforcement of any of the trusts hereby created nor for the enforcement of any right hereunder unless requested thereunto in writing by the holders of not less than 25% in principal amount of the then outstanding Bonds and upon being furnished with indemnity satisfactory to it against expense and liability with respect thereto and also furnished with proof satisfactory to it as to the ownership of the Bonds in respect of which any notice or request may be made; but neither any such request nor this provision therefor shall affect any discretion herein elsewhere specifically given to the Trustee to determine what action it shall take in respect of any such default, or to take action without request.

(j) No holder of any Bond issued hereunder shall have any right to institute any suit, action or proceeding for the execution and enforcement of the trusts hereby created unless, after the aforesaid request in writing by the holders of not less than 25% in principal amount of the then outstanding Bonds shall have been made upon the Trustee, an agreement of indemnity satisfactory to it provided, a reasonable time elapsed for action by the Trustee upon such request, and the Trustee shall decline or fail to institute any proceedings pursuant hereto.

(k) The Trustee may, for all purposes other than payment of principal and any interest on Bonds, conclusively assume that the Company is not in default under the terms hereof until notified in writing to the contrary by the holders of at least 10% in principal

amount of the Bonds then outstanding, which notice shall specify the default desired to be brought to the attention of the Trustee.

(l) The Trustee shall not incur any liability to anybody in acting upon any notice, consent, order, certificate, warrant or other paper or instrument believed by it to be genuine or authentic and to be signed by the proper party or parties provided that to the knowledge of the Trustee none of the foregoing instruments are contrary to the express provisions of this Trust Deed applicable thereto.

(m) The Company, or the holders of at least 10% in principal amount of the outstanding Bonds, or either of them, may from time to time examine the books and accounts of the Trustee relating to said Bonds and to this Trust Deed and to the acts of the Trustee hereunder.

(n) The Trustee shall not, nor shall its agents or attorneys, by reason of anything herein contained, any entry into possession of the mortgaged premises or any part thereof, or the collection or receipts of any rents or other moneys payable under any of the Leases; (i) be liable for the performance of any of the obligations of the Company under or in respect of any of the Leases, or (ii) become or be deemed to be a mortgagee in possession, or (iii) be liable to account for anything except actual receipts, or (iv) be under any obligation to take any action or exercise any remedy (including the collection of rents or other moneys or the enforcement of any obligations under any of the Leases), or (v) be liable for any loss or realization for any default or omission for which a mortgagee in possession might be liable; save in each case such as may be caused by its own negligence or wilful misconduct.

SECTION 7.03. The Trustee may resign and be discharged from the trusts created by this Trust Deed, by giving to the Company and to the registered holders of the Bonds then outstanding notice in writing of such resignation, specifying a date when such resignation shall take effect. If desired by the Trustee, such notice may be given to the holders of the Bonds by publication of the notice at least once in each of two successive calendar weeks prior to the date specified in such notice, in one daily newspaper published in Toronto, Canada, and in one daily newspaper published in Chicago, Illinois, United States of America. Such resignation shall take effect on the date specified in such notice (which date shall not be less than 30 days after the giving or first publication of such notice) unless previously a successor trustee shall

be appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor trustee. Upon the taking effect of such resignation, the Trustee (or any trustee so resigning) shall, without further act on its part, be completely relieved from any and all obligation or responsibility under or with respect to this Trust Deed, the Bonds, the Mortgaged Equipment, the Mortgaged Leaseholds, the Leases or the Leasehold Equipment.

Any trustee hereunder may be removed at any time by instrument in writing filed with the Trustee and executed by the holders of at least a majority in principal amount of the Bonds.

SECTION 7.04. In case at any time the Trustee shall resign or shall be removed or otherwise shall become incapable of acting, a successor may be appointed by the holders of at least a majority in principal amount of the Bonds at the time outstanding, by an instrument or concurrent instruments signed by such Bondholders or their attorneys in fact duly authorized and filed with such successor trustee; but until a new trustee shall be appointed by said Bondholders as herein authorized, the Company, by an instrument executed under its corporate seal, may appoint a trustee to fill or avoid such vacancy. Every such successor trustee, whether appointed by the Bondholders or by the Company, shall always be a corporation authorized to carry on the business of a trust company in all mainland Provinces of Canada and to accept and execute trusts and having an office in Toronto, Canada, and in each case having a capital stock, reserve fund and undivided profits aggregating at least \$10,000,000. After any such appointment by the Company, it shall cause notice of such appointment to be published once a week in each of two successive weeks in one daily newspaper published in Toronto, Canada, and in one daily newspaper published in Chicago, Illinois, United States of America, but any new trustee so appointed by the Company shall immediately, and without further act, be superseded by a trustee appointed, in the manner above provided, by the holders of at least a majority in principal amount of the Bonds.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring trustee an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance, shall become vested with title to the trust estate, and with all the rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as trustee herein, and the trustee

ceasing to act shall, on the written request of such successor trustee, assign and transfer the trust estate including the Mortgaged Equipment and Mortgaged Leaseholds and moneys held by the Trustee hereunder or cause the trust estate to be assigned and transferred to the successor trustee, upon payment of all amounts owing to it hereunder. Upon request of such successor trustee, the Company shall execute and deliver such instruments of further assurance as may reasonably be required for more fully and certainly vesting in and confirming to such successor trustee all right, title and interest of the predecessor trustee in and to the trust estate and such rights, powers, trusts, duties and obligations. All instruments herein provided for shall be at the cost of the Company.

Any banking corporation or trust company resulting from any merger or consolidation to which the Trustee, or any successor to it, shall be a party shall be the successor trustee under this Trust Deed without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 7.05. Notwithstanding the other provisions of this Article Seven the Trustee shall give to all the registered holders of Bonds then outstanding notice in writing, promptly after the Trustee's Montreal office becomes aware of the occurrence thereof, of every event of default arising hereunder and continuing at the time the notice is given.

ARTICLE EIGHT

MISCELLANEOUS

SECTION 8.01.

(a) Upon proof being given to the reasonable satisfaction of the Trustee that all the Bonds and any interest thereon and other moneys hereby secured have been paid off or satisfied, such payment has been duly and effectually provided for by payment to the Trustee or otherwise, and upon payment of all costs, charges and expenses properly incurred by the Trustee in relation to these presents and all interest thereon and the remuneration of the Trustee, or upon provision satisfactory to the Trustee being made therefor, the Trustee shall, at the request and at the expense of the Company, execute and deliver to the Company such deeds or other instruments as shall be required to evidence the satisfaction

FIRST SCHEDULE

Referred to in the annexed Deed of Trust and Mortgage dated as of April 16, 1973 between North American Car (Canada) Limited and Montreal Trust Company.

MORTGAGED EQUIPMENT

<u>Number of Cars</u>	<u>Serial Number of Cars</u>	<u>Lessee</u>	<u>Sub. Clause</u>	<u>Date of Lease</u>	<u>Lease Term</u>	<u>Date in Service</u>	<u>Purchase Option</u>	<u>Total Cost</u>
11	2950-2960 ✓	H. J. Heinz of Canada	Yes	9/71	15 Years	3/72	No	\$ 297,506.00
54	2961-3014 ✓	Not leased						1,460,494.00
65 Total Box Cars								\$ 1,758,000.00
2	604-605 ✓	Quebec North Shore & Labrador Railway Co.	Yes	10/71	10 Years	12/72	No	\$ 61,275.74
2 Total Flat Cars								\$ 61,275.74
3	22556-22558 ✓	Sun Oil of Canada	Yes	1/72	10 Years	10/72	Yes	\$ 69,721.73
4	22559-22562 ✓	Union Oil Company of Canada	Yes	8/72	5 Years	10/72 & 11/72	No	81,630.54
1	22563 ✓	May & Baker Canada, Ltd.	Yes	9/72	Temporary	9/72	No	20,407.64
10	22564-22573 ✓	Irving Oil Company Ltd.	Yes	9/72	Temporary	9/72	No	204,076.40
9	22590-22598 ✓	Shell Canada Ltd.	No	10/72	Temporary	10/72	No	240,494.67
1	22599 ✓	Shell Canada Ltd.	No	10/72	Temporary	10/72	No	26,384.27
1	33317 ✓	Irving Oil Company Ltd.	Yes	1/72	5 Years	12/71	No	28,071.02
1	33318 ✓	Hidrogas Ltd.	No	6/71	5 Years	12/71	No	25,131.02

<u>Number of Cars</u>	<u>Serial Number of Cars</u>	<u>Lessee</u>	<u>Sub. Clause</u>	<u>Date of Lease</u>	<u>Lease Term</u>	<u>Date in Service</u>	<u>Purchase Option</u>	<u>Total Cost</u>
8	33319-33326	Canadian Propane Gas & Oil	No	1/73	Temporary	9/72	No	\$ 201,048.16
3	33327-33329	Dome Petroleum Ltd.	Yes	9/72	1 Year	7/72	No	84,213.06
5	33330,33332, 33335,33340, 33341	Real Marketing Ltd.	Yes	9/72	5 Years	10/72	No	140,403.29
7	33331,33333, 33334,33336- 33339	Dome Petroleum Ltd.	Yes	9/72	1 Year	10/72	No	196,497.14
<u>53 Total Tank Cars</u>								<u>\$ 1,318,078.94</u>
33	43500-43532	Canadian National Railway Company	Yes	3/73	1 Year	1/73 & 2/73	No	\$ 678,652.13
16	43533-43548	Canadian National Railway Company	Yes	3/73	1 Year	1/73 & 2/73	No	324,554.60
1	43549	Canadian National Railway Company	Yes	3/73	1 Year	1/73	No	20,565.22
41	43550-43590	Canadian National Railway Company	Yes	3/73	1 Year	1/73 & 2/73	No	831,671.17
<u>91 Total Hopper Cars</u>								<u>\$ 1,855,443.12</u>
<u>211 Total All Cars</u>								<u>\$ 4,992,797.80</u>

Running numbers and serial numbers are the same except where noted.

SECOND SCHEDULE

Referred to in the annexed Deed of Trust and Mortgage dated as of April 16, 1973 between North American Car (Canada) Limited and Montreal Trust Company.

LEASEHOLD EQUIPMENT

<u>Number of Cars</u>	<u>Serial Number of Cars</u>	<u>Lessee</u>	<u>Date of Lease</u>	<u>Lease Term</u>
ALL DOOR CARS				
6	4696-4701	Lignum, Ltd.	12/72	5 Years
4	4702-4705	Lignum, Ltd.	12/72	5 Years
3	4707,4709, 4711	British Columbia Hydro & Power Authority	3/73	15 Years
30	4736-4765	Triangle Pacific Forest Products	1/73	5 Years
56	4793-4848	Not leased		
4	4849-4852	British Columbia Hydro & Power Authority	3/73	15 Years
COVERED HOPPER CARS				
26	50800-50825	Not leased		
3	50826-50828	Not leased		
1	50829	Not leased		
1	50830	Not leased		
69	50831-50899	Not leased		
7	92973-92979	British Columbia	5/72	2 Years
100	50900-50999	Not leased		
100	52700-52799	Not leased		
100	52800-52899	Not leased		
100	52900-52999	Not leased		
1	90262	Industrial Grain Products Ltd.	2/73	10 Years

IN WITNESS WHEREOF, the Company and the Trustee, pursuant to due corporate authority, have caused this Trust Deed to be signed in their respective corporate names by their respective officers thereunto duly authorized, and their respective corporate seals to be hereunto affixed, as of the day and year first above written.

NORTH AMERICAN CAR (CANADA) LIMITED

By

Vice President

By

Secretary

(CORPORATE SEAL)

MONTREAL TRUST COMPANY

Trustee

By

*Manager Corporate
Trust Department*

By

*Manager Corporate
Services Department*

(CORPORATE SEAL)

STATE OF ILLINOIS, }
COUNTY OF COOK, } ss.:

On this 8th day of June, 1973, before me personally appeared Martin A. Lynch and, Kenneth J. Petrino, to me personally known, who being by me duly sworn say that they are a Vice President and the Secretary, respectively, of NORTH AMERICAN CAR CORPORATION (CANADA) LIMITED, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was on June 8th, 1973 signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Thomas J. Kelly
Notary Public

My Commission Expires

4/11/76

CANADA
PROVINCE OF QUEBEC, }
DISTRICT OF MONTREAL } ss.:

On this 11th day of June, 1973, before me personally appeared ... K.J. McGregor ..., to me personally known, who, being by me duly sworn, says that he is an officer of Montreal Trust Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was on June 11, 1973 signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

John W. McLaughlin
Notary Public

My Commission Expires

in force

UNITED STATES OF
AMERICA
STATE OF ILLINOIS
COUNTY OF COOK

IN THE MATTER OF The Corporation
Securities Registration Act (Ontario);

IN THE MATTER OF The Corporation
Securities Registration Act
(Saskatchewan);

IN THE MATTER OF the Corporations
Securities Registration Act (Nova Scotia);

IN THE MATTER OF The Corporations
Securities Registration Act (New Brun-
swick);

TO WIT:

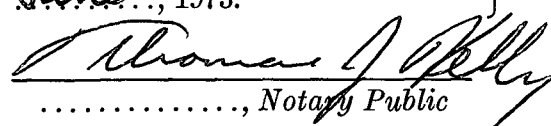
AND IN THE MATTER OF registration
under the said Acts of an Indenture dated
as of the 16th day of April, 1973 and made
between North American Car (Canada)
Limited and Montreal Trust Company,
as Trustee, for the purpose of securing
9.85% Demand Equipment Bonds, First
1973 Series of North American Car (Can-
ada) Limited.

I, Martin A. Lynch, of the City of Chicago, State of Illinois, USA,
MAKE OATH AND SAY THAT:

1. I am an officer holding the office of Vice President of North American Car (Canada) Limited, the mortgagor or assignor named in the annexed instrument containing a mortgage, charge or assignment made by the said North American Car (Canada) Limited to Montreal Trust Company, and am aware of the circumstances connected with the transaction and have a personal knowledge of the facts herein deposed to.
2. The said instrument was executed by North American Car (Canada) Limited at the City of Chicago, State of Illinois, on the 8th day of June, 1973.

SWORN before me at the City of
Chicago, County of Cook, State of
Illinois, USA, this 8th day of
June, 1973.


Martin A. Lynch


....., Notary Public

A Notary Public for the County
of Cook, State of Illinois

My commission expires:

....4/11/76.....

CANADA
PROVINCE OF
QUEBEC
DISTRICT
OF MONTREAL

IN THE MATTER OF The Corporation
Securities Registration Act (Ontario);

IN THE MATTER OF The Corporation
Securities Registration Act
(Saskatchewan);

IN THE MATTER OF the Corporations
Securities Registration Act (Nova Scotia);

IN THE MATTER OF The Corporations
Securities Registration Act (New Brunswick);

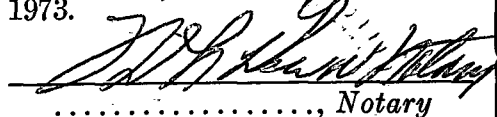
AND IN THE MATTER OF registration
under the said Acts of an Indenture dated
as of the 16th day of April, 1973 and made
between North American Car (Canada)
Limited and Montreal Trust Company,
as Trustee, for the purpose of securing
9.85% Demand Equipment Bonds, First
1973 Series of North American Car (Canada)
Limited.

J. H. Whiteley of the City of Montreal, in the Province of Quebec,
MAKE OATH AND SAY THAT:

1. I am an officer, Corporate Trusts Division of Montreal Trust Company, the mortgagee, trustee or grantee named in the annexed indenture made by North American Car (Canada) Limited to the said Montreal Trust Company, and am aware of the circumstances connected with the transaction and have a personal knowledge of the facts herein deposed to.

2. The said indenture being the instrument containing the mortgage charge or assignment was executed in good faith and for the purpose of securing payment of the 9.85% Demand Equipment Bonds, First 1973 Series, referred to therein and not for the mere purpose of protecting the chattels or book debts therein mentioned against the creditors of the mortgagor or assignor or preventing such creditors from obtaining payment of any claim against the mortgagor or assignor.

SWORN before me at the City
of Montreal in the Province of
Quebec, this 11th day of April,
1973.


....., Notary

A Notary for the Province of
Quebec.



#7067

CERTIFICATE See Record #15039

The undersigned, being duly appointed officers of General Electric Credit Corporation, a ^{New York} ~~Delaware~~ corporation ("GECC"), and North American Car Corporation, a Delaware corporation ("NACC"), do hereby certify that the transactions contemplated by the Asset Purchase Agreement, dated the 14th day of February, 1986, as amended, entered into by and among GECC and NACC and certain of its subsidiaries and approved pursuant to orders of the United States Bankruptcy Court for the Central District of California in Case No. LA 84-23401-BR through LA 84-23417-BR authorizing such sale were consummated on July 3, 1986. Pursuant to the orders of the Bankruptcy Court, NACC and its subsidiaries sold each and every railcar owned by them to GECC free and clear of any and all claims, encumbrances, rights and security interests, including the security interests filed with the Interstate Commerce Commission under the recordation numbers listed on Exhibit A attached hereto.

IN WITNESS WHEREOF, the undersigned have caused this Certificate to be executed as of this 3rd day of July, 1986.

ATTEST:

By

ITS ASSISTANT SECRETARYGENERAL ELECTRIC CREDIT CORPORATION,
a ~~Delaware~~ Corporation
NEW YORK

By

ITS DESIGNATED REPRESENTATIVENORTH AMERICAN CAR CORPORATION, a
Delaware Corporation

ATTEST:

By

By

ITSPRESIDENT